

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2014

Docket No. ACR2014

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 3 OF CHAIRMAN'S INFORMATION REQUEST NO. 6

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 6, issued on February 9, 2015. Each question is stated verbatim and followed by the response. Responses to all other questions were filed previously.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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3. With respect to First-Class Mail Parcels, the Chicago district reported the lowest annual scores for the Overnight (38.7 percent on-time) and Three-to-Five-Day (61.8 percent on-time) service standards.
- a. Please discuss the factors contributing to these service performance scores.
 - b. The Chicago district also reported substantially lower measured volume than similar districts. Please discuss the factors contributing to the decreased measured volume.

RESPONSE:

- a. Service performance scores in the Chicago District in FY14 for Overnight and Three-to-Five-Day First-Class Mail Parcels failed to meet the service standards for a variety of reasons. One factor was mail prioritization. Weather and operational conditions resulted in processing and transportation delays for all mail in the Chicago District. Reduced scores for Overnight and Three-to-Five-Day First-Class Mail Parcels as compared to other classes and products were thus partially the result of other mail being prioritized in an effort to meet the service standards for that mail. Other (albeit related) factors include mail flow reconfigurations and equipment relocations made in the greater Chicago area in response to capacity constraints (which were affecting other mail categories as well as First-Class Mail Parcels). Initially, these reconfigurations did not always proceed smoothly. Transitional effects due to staffing shifts in a critical facility, and an operational window change, were also factors. In response, local management has changed the transportation to allow an earlier arrival profile, and also increased staffing at the NDC in order to improve throughput and

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clearance time. With these changes, service performance is expected to improve relative to FY14 levels.

- b. The relatively lower measured volume of First-Class Mail Parcels reported in the Chicago District is primarily a reflection of relatively lower actual volume. This may be due to several factors. First, the Chicago District only encompasses the City of Chicago, not the wide metro area around the city as many other districts do. Second, the size and geographic make-up of the Chicago District may result in fewer larger mailers entering items in the Chicago District as compared to other districts. Third, the Lakeland District, which is next to the Chicago District, generally has one of the highest volumes for First-Class Mail Parcels of all districts. This further supports that First-Class Mail Parcels in the Chicago metropolitan area are generally entered in the surrounding area, and not the Chicago District. The Postal Service also notes that the volume of First-Class Mail Parcels entered in the Chicago District has remained relatively constant over the past several years. Accordingly, and contrary to the premise of the question, the Chicago District is actually not “similar” to other districts in this respect.